

HALF YEAR FINANCIAL REPORT

January – June 2016



FISKARS

HALF YEAR FINANCIAL REPORT JANUARY–JUNE 2016: In Q2 net sales increased – operating profit declined due to changes in seasonality of the business portfolio

Second quarter 2016 in brief:

- Net sales increased by 16% to EUR 293.5 million (Q2 2015: 253.5)
- Net sales decreased by 1.6% on a comparable basis¹⁾
- Operating profit decreased to EUR 14.8 million (19.4)
- Adjusted operating profit²⁾ decreased by 17% to EUR 17.3 million (20.8)
- Cash flow from operating activities before financial items and taxes increased to EUR 39.1 million (32.5.)
- Earnings per share (EPS) were EUR -0.26 (0.17). Operative earnings per share³⁾ amounted to EUR 0.08 (0.15).
- Outlook for 2016 unchanged: Fiskars expects the Group's 2016 net sales and adjusted operating profit to increase from the previous year

January 1–June 30, 2016 in brief:

- Net sales increased by 22% to EUR 589.7 million (Q1–Q2 2015: 483.6)
- Net sales remained at the same level (-0.1%) on a comparable basis¹⁾
- Operating profit increased to EUR 38.5 million (35.1)
- Adjusted operating profit²⁾ increased by 4% to EUR 39.2 million (37.8)
- Cash flow from operating activities before financial items and taxes increased to EUR 2.9 million (-19.4)
- Earnings per share (EPS) were EUR -0.25 (1.12). Operative earnings per share³⁾ amounted to EUR 0.19 (0.29)

President and CEO, Fiskars, Kari Kauniskangas:

"Net sales increased during the second quarter thanks to our latest acquisition. I was pleased to see the net sales of the English & Crystal Living business increase from the previous year's comparison period, driven by the Waterford and Wedgwood brands. Weak consumer demand in Japan and unfavorable weather conditions in the U.S. impacted our overall performance and the decline in comparable revenue was unsatisfactory.

Due to changes in the seasonality of our business portfolio, operating profit declined during the second quarter. The majority of the operating profit in the Living business is delivered during the second half of the year, whereas in the divested businesses all of the profits were delivered during the first half of the year. At constant currency rates and excluding the positive impact in Q2 2015 of the divested businesses, the adjusted operating profit would have increased.

Fiskars is transforming into a global integrated, branded consumer goods company. We took steps during the second quarter to move this process forward and streamlined our manufacturing and distribution footprint. In addition, our integration in the English & Crystal Living business and the watering business are progressing as planned. As the trade continues to consolidate the supplier base and aims to work with fewer suppliers, Fiskars is well positioned to serve our customers' needs and to create value for them on a global scale.

While the business environment is expected to remain fragile both in Asia and Europe, we are moving fast to anticipate and adapt to the changing consumer needs, creating new innovative products and building our brands, in particular our key international brands, Fiskars, Gerber, Iittala, Royal Copenhagen, Waterford and Wedgwood."

¹⁾ Using comparable exchange rates, excluding the acquired English & Crystal Living (WWRD) business and the divested boats and container gardening businesses

²⁾ Adjustments include items such as restructuring costs, impairment charges, integration related costs, and profit impact from the sale of businesses

³⁾ Operative earnings per share do not include net changes in the fair value of the investment portfolio and dividends received

Group key figures

EUR million	Q2 2016	Q2 2015	Change	Q1–Q2 2016	Q1–Q2 2015	Change	2015
Net sales	293.5	253.5	16%	589.7	483.6	22%	1,107.1
Operating profit (EBIT)	14.8	19.4	-24%	38.5	35.1	10%	46.5
Adjustments to operating profit ¹⁾	2.5	1.4		0.7	2.7		18.6
Adjusted operating profit	17.3	20.8	-17%	39.2	37.8	4%	65.1
Adjusted EBITA	20.9	23.0	-9%	45.9	41.9	10%	75.7
Net change in the fair value of investment portfolio	-34.9	8.3		-60.6	50.6		56.1
Profit before taxes	-22.0	21.7		-18.8	119.3		125.5
Profit for the period	-20.9	13.8		-19.3	91.8		86.4
Operative earnings/share, EUR ²⁾	0.08	0.15	-46%	0.19	0.29	-36%	0.16
Earnings/share, EUR	-0.26	0.17		-0.25	1.12		1.04
Equity per share, EUR				13.69	14.56	-6%	14.54
Cash flow from operating activities before financial items and taxes	39.1	32.5	20%	2.9	-19.4		50.2
Equity ratio, %				66%	66%		65%
Net gearing, %				20%	-7%		21%
Capital expenditure	10.1	6.2	64%	18.4	11.9	54%	32.4
Personnel (FTE), average	8,030	4,478	79%	8,061	4,547	77%	6,303

1) In Q2 2016, adjustments include net costs related to the Supply Chain 2017 program, integration activities, and an adjustment to the gain from the sale of the boats business. In Q2 2015, costs related to EMEA restructuring program and integration activities

2) Excluding net change in the fair value of the investment portfolio and dividends received. The comparison period has been restated to also exclude the exchange rate gains related to the investment portfolio

IMPACT OF NEW ESMA GUIDELINES

In accordance with the new guidelines on alternative performance measures issued by the European Securities and Markets Authority (ESMA) Fiskars Corporation has revised the terminology used in its financial reporting. Alternative Performance Measures (APM) are used to better reflect the operational business performance and to facilitate comparisons between financial periods. APMs should not be considered as a substitute for measures of performance in accordance with the IFRS. As of Q1 2016, the term “non-recurring items” (NRI) has been changed to the term “adjustments to operating profit”, however the definition remains the same. As before, adjustments are transactions that are not related to recurring business operations, such as restructuring costs, impairment charges, integration related costs, and profit impact from the sale of businesses. Correspondingly, “adjusted EBITA” is calculated from adjusted EBIT by adding back amortization. The adjustments are listed in a table on page 16 of this half year financial report. Fiskars also uses the APM “operative EPS”, which is earnings per share (EPS) excluding the effects of the dividends from and the change in the fair value of the investment portfolio.

Further information:

- President and CEO Kari Kauniskangas, tel. +358 204 39 5500
- COO and CFO Teemu Kangas-Kärki, tel. +358 204 39 5703
- Corporate Communications, tel. +358 204 39 5031, communications@fiskars.com

Analysts and media conference:

An analysts and media conference will be held at 10 a.m. on August 2, 2016, at the company's headquarters, Fiskars Campus, Hämeentie 135 A, Helsinki. Presentation material will be available at www.fiskarsgroup.com.

HALF YEAR FINANCIAL REPORT, JANUARY–JUNE 2016

GROUP PERFORMANCE

Net sales

Net sales, EUR million	Q2 2016	Q2 2015	Change	Comparable change*	Q1–Q2 2016	Q1–Q2 2015	Change	Comparable change*	2015
Group	293.5	253.5	16%	-1.6%	589.7	483.6	22%	-0.1%	1,107.1
Europe & Asia-Pacific	178.2	122.3	46%	1.3%	361.5	249.7	45%	1.6%	663.6
Americas	128.0	119.1	8%	-5.6%	256.9	214.1	20%	-2.5%	451.2
Other	1.4	15.1	-90%	-2.7%	2.8	25.6	-89%	4.0%	40.5

* Using comparable exchange rates and excluding the acquired English & Crystal Living business and the divested boats and container gardening businesses

Fiskars Group net sales in Q2 2016

Fiskars Group's consolidated net sales increased by 16% to EUR 293.5 million (Q2 2015: 253.5). The majority of the increase came from the English & Crystal Living business, acquired in July 2015. Using comparable exchange rates and excluding the acquired business, as well as the divested boats and container gardening businesses, net sales decreased by 1.6%. The decrease in comparable net sales was impacted to a large extent by shifts in sales between quarters in the crafting category and weather conditions in the U.S., which affected garden sales, partly offset by the increased net sales in Europe.

Fiskars Group net sales in January–June 2016

Fiskars Group's consolidated net sales increased by 22% to EUR 589.7 million (Q1–Q2 2015: 483.6). Using comparable exchange rates and excluding the acquired English & Crystal Living business, as well as the divested boats and container gardening businesses, net sales remained at the same level.

Operating profit

Operating profit (EBIT), EUR million	Q2 2016	Q2 2015	Change	Q1–Q2 2016	Q1–Q2 2015	Change	2015
Group	14.8	19.4	-24%	38.5	35.1	10%	46.5
Europe & Asia-Pacific	2.1	7.6	-72%	4.1	14.9	-72%	34.9
Americas	15.7	15.8	-0%	35.3	26.5	33%	28.1
Other and eliminations	-3.0	-3.9	-23%	-0.9	-6.3	-85%	-16.5

Fiskars Group operating profit in Q2 2016

Fiskars Group's second quarter operating profit totaled EUR 14.8 million (Q2 2015: 19.4). Adjustments to operating profit amounted to EUR 2.5 million (1.4) during the second quarter, resulting in an adjusted operating profit of EUR 17.3 million (20.8). The adjustments included net costs related to the Supply Chain 2017 program, integration activities, and an adjustment to the gain from the sale of the boats business. The operating profit declined due to changes in the seasonality of the business portfolio. The majority of the operating profit in the Living business is delivered during the second half of the year, whereas in the divested businesses all of the profits were delivered during the first half of the year.

Operating profit for the Europe and Asia-Pacific segment totaled EUR 2.1 million (7.6). The adjusted operating profit for the segment decreased by 60%, totaling EUR 3.1 million (7.8), impacted primarily by the typically seasonally weak English & Crystal Living business as well as the challenging business environment in Asia. Operating profit for the Americas segment remained at the same level, amounting to EUR 15.7 million (15.8). The adjusted operating profit for the segment decreased by 6%, totaling EUR 16.0 million (17.0), impacted primarily by the low demand for garden products and shifts in sales of crafting products between quarters in the U.S.

Fiskars Group operating profit in January–June 2016

Fiskars Group's operating profit during the first half of the year totaled EUR 38.5 million (Q1–Q2 2015: 35.1). Adjustments to operating profit amounted to EUR 0.7 million (2.7) during the first half of the year, resulting in an adjusted operating profit of EUR 39.2 million (37.8).

Operating profit for the Europe and Asia-Pacific segment during the first half of the year totaled EUR 4.1 million (14.9). The adjusted operating profit for the segment decreased by 44%, totaling EUR 9.2 million (16.3), impacted primarily by the typically seasonally weak English & Crystal Living business as well as the challenging business environment in Asia.

Operating profit for the Americas segment increased by 33%, amounting to EUR 35.3 million (26.5). The adjusted operating profit for the segment increased by 22%, totaling EUR 33.8 million (27.8), supported primarily by the acquired English & Crystal Living business.

REPORTING SEGMENTS AND BUSINESS UNITS

Fiskars Group's three reporting segments are Europe & Asia-Pacific, Americas, and Other, and the business is divided into three business units: Functional Products, Living Products, and Outdoor Products. The Functional Products business unit consists of the Fiskars, Gilmour, Nelson, Leborgne and EbertSankey brands. The Living Products business unit consists of the Iittala, Royal Copenhagen, Waterford, Wedgwood, Rörstrand, Royal Albert, Royal Doulton, Arabia, and Hackman brands. The Outdoor Products business unit consists of the Gerber brand.

Fiskars Group's Other segment contains the Group's investment portfolio, the real estate unit, corporate headquarters, and shared services. Fiskars completed the sale of its boats business in early January 2016, previously part of the Other segment.

Business units in Q2 2016

Net sales, EUR million	Q2 2016	Q2 2015	Change	Comparable change*	Q1-Q2 2016	Q1-Q2 2015	Change	Comparable change*	2015
Functional Products	148.8	161.7	-8%	1.3%	298.0	310.2	-4%	1.8%	524.5
Living Products	125.0	56.4	122%	-7.1%	253.9	109.2	132%	-1.7%	450.1
Outdoor Products	18.6	20.7	-10%	-7.2%	35.9	39.4	-9%	-9.4%	93.8

* Using comparable exchange rates, excluding the acquired English & Crystal Living business and the divested container gardening business

Europe & Asia-Pacific segment

EUR million	Q2 2016	Q2 2015	Change	Q1-Q2 2016	Q1-Q2 2015	Change	2015
Net sales*	178.2	122.3	46%	361.5	249.7	45%	663.6
Operating profit (EBIT)	2.1	7.6	-72%	4.1	14.9	-72%	34.9
Adjusted operating profit	3.1	7.8	-60%	9.2	16.3	-44%	45.3
Capital expenditure	5.3	3.4	57%	10.5	6.5	63%	20.2
Personnel (FTE), average	6,632	3,190	108%	6,657	3,239	106%	4,842

* Using comparable exchange rates and excluding the acquired English & Crystal Living business, net sales in the Europe & Asia-Pacific segment increased by 1.3% in Q2 2016 and by 1.6% in Q1-Q2 2016

Europe & Asia-Pacific in Q2 2016

The business environment in Asia remained tough during the quarter and the department stores continued to face challenges in Japan. Consumer spending is expected to remain low, with few positive developments in sight. In Europe, economic sentiment continued to vary between countries. Finland has grown more slowly than the rest of Europe, however there were signs of the situation stabilizing in Finland. Overall consumer purchasing behavior in Europe remained price-driven.

Net sales in the Europe & Asia-Pacific segment increased during the second quarter of 2016 by 46% to EUR 178.2 million (Q2 2015: 122.3), supported by the acquired English & Crystal Living business. Net sales increased by 1.3% on a comparable basis.

Net sales and profitability improved in Europe, driven primarily by the Functional business and the good performance of the Fiskars brand in the garden category. The net sales of the Scandinavian Living business suffered from challenging environment in Japan, especially in the distributor and wholesale channels. The Royal Copenhagen and Rörstrand brands demonstrated steady net sales in Europe. The overall net sales of the Scandinavian Living business in its own stores declined in Europe and remained flat in Asia. Traffic to the stores decreased, however the conversion rate and average basket size increased, partly offsetting the lower traffic. Iittala was launched in Australia during the quarter.

English & Crystal Living net sales increased in the Europe & Asia-Pacific segment from the comparison period, driven primarily by the Wedgwood and Waterford brands. The net sales of the Outdoor business increased slightly in the Europe & Asia-Pacific segment, driven by growth in the UK.

The segment recorded an adjusted operating profit of EUR 3.1 million (7.8). The decrease was primarily due to the typically seasonally weak English & Crystal Living business as well as the challenging business environment in Asia, partly offset by the increased operating profit in the Functional business in Europe.

Europe & Asia-Pacific in January–June 2016

Net sales in the Europe & Asia-Pacific segment increased during the first half of the year by 45% to EUR 361.5 million (Q1–Q2 2015: 249.7), primarily driven by the acquired English & Crystal Living business. Net sales increased by 1.6% on a comparable basis.

The segment recorded an adjusted operating profit of EUR 9.2 million (16.3) during the first half of the year. The decrease was primarily due to the typically seasonally weak English & Crystal Living business as well as the challenging business environment in Asia.

Americas segment

EUR million	Q2 2016	Q2 2015	Change	Q1–Q2 2016	Q1–Q2 2015	Change	2015
Net sales*	128.0	119.1	8%	256.9	214.1	20%	451.2
Operating profit (EBIT)	15.7	15.8	-0%	35.3	26.5	33%	28.1
Adjusted operating profit	16.0	17.0	-6%	33.8	27.8	22%	36.1
Capital expenditure	2.1	1.0	108%	3.7	1.4	153%	4.0
Personnel (FTE), average	1,240	950	31%	1,244	973	28%	1,123

* Using comparable exchange rates and excluding the acquired English & Crystal Living business and the divested container gardening business net sales in the Americas decreased by 5.6% in Q2 2016 and by 2.5% in Q1–Q2 2016

The Americas in Q2 2016

Consumer confidence continued to improve in the U.S. due to a more favorable assessment of job growth and increased consumer spending, however the competitive environment remained tough. The seasonal garden category suffered from a soft April and May due to unfavorable weather conditions.

Net sales in the Americas segment increased by 8% to EUR 128.0 million (Q2 2015: 119.1) in the second quarter, driven by the English & Crystal Living business and despite the divestment of the container gardening business. Net sales decreased by 5.6% on a comparable basis.

After a strong first quarter, the net sales of the Functional business and its Fiskars-branded products decreased in the Americas segment, impacted both by reduced sales in the Garden category due to weather conditions and a shift in sales between quarters in the School, Office and Craft categories. Net sales in the watering category was in line with last year's levels, despite exits from certain unfavorable sales agreements, which led to improved profitability.

The English & Crystal Living sales increased from the comparison period, despite the changing retail environment, which continued to impact one of the main customers.

The Outdoor business suffered from weak consumer demand as the knife and tool category continued to decline. While quarterly net sales decreased, the profitability of the Outdoor business developed favorably, driven by improved operational efficiency.

The adjusted operating profit of the Americas segment decreased to EUR 16.0 million (17.0), impacted primarily by reduced sales volumes in the Garden and the School, Office and Craft categories.

The Americas in January–June 2016

Net sales in the Americas segment increased during the first half of the year by 20% to EUR 256.9 million (Q1–Q2 2015: 214.1). Net sales decreased by 2.5% on a comparable basis, impacted primarily by reduced sales in the Garden and Watering categories.

The segment recorded an adjusted operating profit of EUR 33.8 million (27.8), supported by the acquired English & Crystal Living business.

Other segment

EUR million	Q2 2016	Q2 2015	Change	Q1–Q2 2016	Q1–Q2 2015	Change	2015
Net sales*	1.4	15.1	-90%	2.8	25.6	-89%	40.5
Operating profit**	-3.0	-3.9	-23%	-0.9	-6.3	-85%	-16.5
Adjusted operating profit**	-1.8	-3.9	-54%	-3.7	-6.3	-41%	-16.3
Net change in fair value of investments valued at FVTPL***	-34.9	8.3		-60.6	50.6		56.1
Investments at FVTPL***				397.7	522.6	-24%	520.0
Capital expenditure**	2.7	1.8	54%	4.1	4.0	4%	8.2
Personnel (FTE), average	158	338	-53%	160	336	-52%	339

* Using comparable exchange rates and excluding the divested boats business net sales decreased by 2.7% in Q2 2016 and increased by 4.0% in Q1–Q2 2016

** Including eliminations between segments

*** FVTPL = Fair value through profit or loss

The Other segment contains the Group's investment portfolio, real estate unit, corporate headquarters, and shared services. Fiskars completed the sale of its boats business in early 2016, which had previously been part of the Other segment.

Other in Q2 2016

Net sales in the segment decreased to EUR 1.4 million (Q2 2015: 15.1) in the second quarter, and consisted of timber sales and rental income. The decrease was due to the sale of the boats business. The operating profit for the quarter was EUR -3.0 million (-3.9).

At the end of the period, the market value of Fiskars' active investments was EUR 397.7 million (June 30, 2015: 522.6), consisting of shares in Wärtsilä valued at EUR 397.7 million (421.4), with a closing price of EUR 36.55 (42.02) per Wärtsilä share. Fiskars no longer has any investments in short-term interest rate funds (June 30, 2015: 101.2). The net change in fair value recorded in the profit and loss statement amounted to EUR -34.9 million (8.3) during the second quarter.

Other in January–June 2016

Net sales in the segment decreased to EUR 2.8 million (Q1–Q2 2015: 25.6) in the first half of the year, and consisted of timber sales and rental income. The decrease is due to the sale of the boats business. The operating profit for the period was EUR -0.9 million (-6.3).

Research and development

The Group's research and development expenses totaled EUR 4.8 million (Q2 2015: 4.5) in the second quarter of 2016, equivalent to 1.6% (1.8%) of net sales. During the first half of the year, research and development expenses totaled EUR 9.2 million (Q1–Q2 2015: 8.2), equivalent to 1.6% (1.7%) of net sales.

To further enhance its strong portfolio of iconic products, Fiskars continued to innovate and leverage its patented innovations to drive brand differentiation. During the second quarter, four Fiskars products were recognized with the prestigious Red Dot Design Awards 2016.

Personnel

Personnel (FTE), average	Q2 2016	Q2 2015	Change	Q1–Q2 2016	Q1–Q2 2015	Change	2015
Group	8,030	4,478	79%	8,061	4,547	77%	6,303
Europe & Asia-Pacific	6,632	3,190	108%	6,657	3,239	106%	4,842
Americas	1,240	950	31%	1,244	973	28%	1,123
Other	158	338	-53%	160	336	-52%	339

The average number of full-time equivalent employees (FTE) was 8,030 (Q2 2015: 4,478) in the second quarter. At the end of the quarter, the Group employed 8,696 (4,766) employees, of whom 1,233 (1,544) were in Finland. The year-on-year increase was mainly due to the acquisition of the English & Crystal Living business.

Fiskars' transformation process

Fiskars is transforming into a global integrated, branded consumer goods company. The company took steps during the second quarter of 2016 to move this process forward.

Supply Chain 2017 program

During the third quarter of 2015 Fiskars announced a restructuring program to optimize its global supply chain network in Europe and Asia. The Supply Chain 2017 program aims to improve the competitiveness of Fiskars' manufacturing operations and distribution network.

The total costs of the program are approximately EUR 20 million between 2015 and 2017. They are reported as adjustments to operating profit, of which EUR 0.3 million was recorded in Europe during Q2 2016. The targeted annual cost savings are approximately EUR 8 million, subject to the full implementation of the program. The targeted cost savings will be achieved gradually, and the majority of the savings are expected to materialize in the Group's results after the program has been completed. The program is expected to be completed by the end of 2017.

In May 2016, Fiskars decided that the manufacturing of garden cutting tools will be centralized at Fiskars' manufacturing site in Poland. The Functional products factory in Billnäs, Finland will concentrate on manufacturing axes, scissors, and snow tools. The aim of the changes is to reduce complexity in the supply chain by centralizing the garden tools competences at one factory, and at the same time safeguard the competitive manufacturing operations for both factories and serve global customers more flexibly and competitively.

In June 2016, Fiskars started to transfer its regional distribution center operations in Germany to a new partner-operated Central European distribution center in the Netherlands. The transfer will simplify operations, increase flexibility and improve product availability across European markets.

Investment program in Europe

In December 2010, Fiskars launched an investment program to create competitive structures, systems, and processes in Europe, including a new, shared Enterprise Resource Planning (ERP) system. The costs and investment related to the program are estimated at EUR 65 million, of which approximately EUR 62 million had been recorded by the end of June 2016.

At the moment approximately 84% of the business volume targeted by the program is running through common systems and processes. The program is expected to be completed by the end of 2016. The program is proceeding according to plan.

Financial items and net result

Financial items and net result in Q2 2016 and January–June 2016

Shares in Wärsilä Corporation are treated as financial assets at fair value through profit or loss, which increases the volatility of Fiskars' net results.

At the end of Q2 2016, Fiskars owned 10,881,781 shares in Wärsilä, representing 5.52% of Wärsilä's share capital. During the second quarter of 2016, the number of shares in Wärsilä did not change from the previous quarter.

The net change in the fair value of investments through profit or loss amounted to EUR -34.9 million (Q2 2015: 8.3) during the second quarter of 2016 and to EUR -60.6 million (Q1–Q2 2015: 50.6) during the first half of the year. The change in the market value of the company's holdings in Wärtsilä amounted to EUR -35.0 million (8.1) in the second quarter of 2016 and to EUR -60.9 million (49.2) in the first half of the year, with the closing price of Wärtsilä shares being EUR 36.55 (42.02) at the end of June.

Other financial income and expenses amounted to EUR -1.8 million (-6.0) in the second quarter of 2016 and to EUR 4.0 million (33.3) in the first half of 2016, including EUR 13.1 million (11.4) of dividends received on Wärtsilä shares.

Profit before taxes was EUR -22.0 million (21.7) in the second quarter of 2016. Income taxes for the second quarter were EUR +1.1 million (-7.8). Earnings per share were EUR -0.26 (0.17). Operative earnings per share, excluding the net change in the fair value of the investment portfolio and dividends received were EUR 0.08 (0.15). The comparison period figure for operative earnings per share has been restated to also exclude the exchange rate gains related to the investment portfolio. Profit before taxes for the first half of the year was EUR -18.8 million (119.3). Income taxes in the first half of the year were EUR -0.6 million (-27.5). Earnings per share were EUR -0.25 (1.12). Operative earnings per share, excluding the net change in the fair value of the investment portfolio and dividends received were EUR 0.19 (0.29).

Cash flow, balance sheet, and financing

Cash flow, balance sheet, and financing in Q2 2016 and January–June 2016

The second-quarter cash flow from operating activities before financial items and taxes amounted to EUR 39.1 million (Q2 2015: 32.5). Cash flow from financial items and taxes amounted to EUR -3.8 million (-20.9). Cash flow from investing activities was EUR 52.6 million, including the positive cash flow of EUR 61.7 million from the sale of investments in short term interest rate funds (290.4, including the positive cash flow of EUR 300.4 million from the sale of investments in short term interest rate funds). Cash flow from financing activities was EUR -58.2 million (116.0).

During the first half of the year cash flow from operating activities before financial items and taxes amounted to EUR 2.9 million (Q1–Q2 2015: -19.4). Cash flow from financial items and taxes amounted to EUR -1.1 million (5.6). Cash flow from investing activities was EUR 80.0 million, including the positive cash flow of EUR 61.7 million from the sale of investments in short term interest rate funds and EUR 25.8 million from the sale of non-current assets held for sale (295.4, including the positive cash flow of EUR 300.4 million from the sale of investments in short term interest rate funds). Cash flow from financing activities was EUR -46.7 million (113.7).

Capital expenditure for the second quarter totaled EUR 10.1 million (6.2), mainly relating to replacements, machinery and tooling for new product manufacturing and the company's five-year investment program in EMEA. Depreciation, amortization and impairment were EUR 9.3 million (6.9) in the second quarter. The increase was primarily due to depreciation in the English & Crystal Living entities. Capital expenditure for the first half of the year totaled EUR 18.4 million (11.9) and depreciation, amortization, and impairment were EUR 18.2 million (13.6).

Fiskars' working capital totaled EUR 233.2 million (177.6) at the end of June. The increase in working capital can be attributed to the growth of inventories and accounts receivable due to the acquisition of the English & Crystal Living business and foreign exchange differences. The equity ratio remained at 66% (66%) and net gearing was 20% (-7%).

Cash and cash equivalents at the end of the period totaled EUR 54.3 million (429.3). Net interest-bearing debt amounted to EUR 227.4 million (-78.7). At the end of the period, the shares in Wärtsilä were valued at EUR 397.7 million (421.4), with a closing price of EUR 36.55 per Wärtsilä share (42.02).

Short-term borrowing totaled EUR 100.5 million (331.7) and long-term borrowing totaled EUR 182.6 million (31.1). Short-term borrowing mainly consisted of commercial papers issued by Fiskars Corporation. In addition, Fiskars had EUR 300.0 million (300.0) in unused, committed long-term credit facilities with Nordic banks.

Changes in organization and management

There were no significant changes in the management or in the organizational structure during the reporting period.

Shares and shareholders

Fiskars Corporation has one share series (FIS1V). All shares carry one vote and equal rights. The number of shares in the Corporation totals 81,905,242. Fiskars Corporation held 93,200 of its own shares at the end of the quarter. The share capital remained unchanged at EUR 77,510,200.

Fiskars shares are traded in the Large Cap segment of Nasdaq Helsinki. The average share price during the second quarter was EUR 16.63 (Q2 2015: 19.04). At the end of June, the closing price was EUR 16.30 (EUR 20.47) per share and Fiskars had a market capitalization of EUR 1,333.5 million (1,676.6). The number of shares traded from April to June was 0.9 million (2.1), which represents 1.1% (2.6%) of the total number of shares.

The total number of shareholders was 18,696 (18,240) at the end of June.

Flagging notifications

Control in Turret Oy Ab has been transferred to Paul Ehrnrooth. Paul Ehrnrooth, Turret Oy Ab, Jacob Ehrnrooth and Sophia Ehrnrooth have signed a shareholder's agreement where all parties have agreed to vote in Fiskars Corporation's General Meetings in accordance with the position of Turret Oy Ab. The parties of the shareholder's agreement have agreed on a mutual pre-emption right, if any of the parties plans to sell Fiskars Corporation's shares. The voting rights held by Paul Ehrnrooth have increased above the 15 % flagging threshold. After passing the threshold for flagging notification, Paul Ehrnrooth's indirect holdings correspond to 11.39 % of the shares and 15.28 % of the voting rights in Fiskars Corporation. Fiskars was not informed of any other significant changes among its largest shareholders during the quarter.

Purchase of own shares

The Board of Directors decided on March 9, 2016 to commence acquiring the company's own shares on the basis of the authorization given by the Annual General Meeting, after which Fiskars Corporation started acquiring the shares. Fiskars held 93,200 of its own shares at the end of the second quarter.

Risks and business uncertainties

Fiskars' business, net sales and financial performance may be affected by several uncertainties. Fiskars Group has detailed the overall business risks and risk management in its Annual Report and on the company's website www.fiskarsgroup.com/investors.

The UK's EU referendum (Brexit), held in June 2016, is likely to increase economic uncertainty and impact consumer confidence in the UK and other European countries. The short-term impact of Brexit on Fiskars Group financial performance is not expected to be material. Otherwise, no new or changed material risks and uncertainty factors have been identified during the quarter.

Events after the reporting period

In July 2016, Fiskars Corporation received a tax reassessment decision from the Finnish Large Taxpayer's office, which obliged the company to pay EUR 21.7 million additional tax as a result of a tax audit carried out in 2014. The decision concerns intra-group loans forgiven by the company in 2003 and their tax treatment in subsequent tax years. Besides the re-assessed tax, the company was obliged to pay interest expenses of EUR 6.5 million and punitive tax increases of EUR 0.1 million. Fiskars will appeal the decision to the Board of Adjustment in the Finnish Large Taxpayers' Office. If necessary, the company will continue the appeal process in court.

The reassessment decision will have a negative effect of EUR 28.3 million on Fiskars' cash flow during the third quarter of 2016. Fiskars and its external advisors consider the decision unfounded and do not recognize the related taxes and other costs in the income statement. The company disclosed the ongoing tax audit in the risk and uncertainties section of the Annual Report 2015 and the Interim Reports.

Outlook for 2016

Fiskars expects the Group's 2016 net sales and adjusted operating profit to increase from the previous year, despite the divestments, continued economic uncertainty – particularly in some of the company's key markets – and the increased costs due to unfavorable exchange rates in 2016.

The majority of the increase in net sales and adjusted operating profit is expected from the addition of the English & Crystal Living business, which is now a part of Fiskars for the full-year 2016. Due to seasonality, the majority of the operating profit in the Living business is delivered during the second half of the year, whereas in the divested businesses all of the profits were delivered during the first half of the year. Fiskars continues to sharpen focus on its core businesses, build brand equity and bring innovative new products to the market, with the goal to accelerate profitable growth.

The adjusted operating profit excludes restructuring costs, impairment charges, integration related costs, and profit impact from the sale of businesses.

Fiskars' Other segment includes investments, which are treated as financial assets at fair value through profit or loss. This increases the volatility of Fiskars' financial items in the profit and loss statement and thus the volatility of Fiskars' net results and earnings per share.

Helsinki, Finland, August 1, 2016

FISKARS CORPORATION

Board of Directors

CONSOLIDATED INCOME STATEMENT

EUR million	Q2 2016	Q2 2015	Change %	Q1-Q2 2016	Q1-Q2 2015	Change %	Q1-Q4 2015
Net sales	293.5	253.5	16	589.7	483.6	22	1,107.1
Cost of goods sold	-175.0	-158.6	10	-348.1	-299.2	16	-687.0
Gross profit	118.5	94.9	25	241.6	184.4	31	420.2
Other operating income	0.2	1.4	-83	9.3	1.7	453	4.9
Sales and marketing expenses	-70.0	-47.1	49	-146.8	-93.6	57	-244.5
Administration expenses	-28.5	-23.8	20	-55.1	-47.6	16	-106.5
Research and development costs	-4.8	-4.5	6	-9.2	-8.2	13	-18.0
Other operating expenses	-0.7	-1.5	-55	-1.4	-1.7	-18	-4.6
Goodwill impairment							-5.0
Operating profit (EBIT)*	14.8	19.4	-24	38.5	35.1	10	46.5
Change in fair value of biological assets	-0.1	-0.1		-0.7	0.3		-0.2
Investments at fair value through profit or loss - net change in fair value	-34.9	8.3		-60.6	50.6		56.1
Other financial income and expenses	-1.8	-6.0		4.0	33.3		23.2
Profit before taxes	-22.0	21.7		-18.8	119.3		125.5
Income taxes	1.1	-7.8		-0.6	-27.5		-39.2
Profit for the period	-20.9	13.8		-19.3	91.8		86.4
Attributable to:							
Equity holders of the parent company	-21.2	13.6		-20.2	91.3		85.1
Non-controlling interest	0.3	0.2		0.8	0.5		1.2
Earnings for equity holders of the parent company per share, euro (basic and diluted)	-0.26	0.17		-0.25	1.12		1.04
*Adjusted operating profit (detailed in notes)	17.3	20.8	-17	39.2	37.8	4	65.1

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

EUR million	Q2 2016	Q2 2015	Q1–Q2 2016	Q1–Q2 2015	Q1–Q4 2015
Profit for the period	-20.9	13.8	-19.3	91.8	86.4
Other comprehensive income for the period					
Items that may be reclassified subsequently to profit or loss					
Translation differences	10.3	-5.5	8.3	5.4	11.6
Cash flow hedges	-0.2	-0.4	-0.7	-0.3	-0.0
Items that will not be reclassified to profit or loss					
Defined benefit plan, actuarial gains (losses) net of tax	0.1	0.0	0.4	-0.2	-1.4
Other comprehensive income for the period net of tax total	10.2	-5.8	8.0	4.9	10.2
Total comprehensive income for the period	-10.7	8.0	-11.3	96.7	96.5
Attributable to:					
Equity holders of the parent company	-11.1	7.9	-12.1	96.1	95.6
Non-controlling interest	0.4	0.1	0.8	0.6	0.9

CONSOLIDATED BALANCE SHEET

EUR million	Jun 30 2016	Jun 30 2015	Change %	Dec 31 2015
ASSETS				
Non-current assets				
Goodwill	233.1	113.2	106	237.4
Other intangible assets	297.3	171.6	73	303.2
Property, plant & equipment	156.5	106.2	47	157.4
Biological assets	40.7	42.0	-3	41.4
Investment property	4.8	4.7	2	4.9
Financial assets				
Financial assets at fair value through profit or loss	15.5	17.1	-9	14.9
Other investments	9.0	5.3	70	7.0
Deferred tax assets	36.8	27.3	35	37.7
Non-current assets total	793.6	487.2	63	804.0
Current assets				
Inventories	238.4	164.6	45	234.3
Trade and other receivables	205.7	184.3	12	211.0
Income tax receivables	4.5	3.6	25	2.8
Interest-bearing receivables	0.0	11.7	-100	0.0
Investments at fair value through profit or loss	397.7	522.6	-24	520.0
Cash and cash equivalents	54.3	429.3	-87	19.7
Current assets total	900.6	1,316.2	-32	987.9
Non-current assets held for sale	5.4			41.4
Assets total	1,699.6	1,803.4	-6	1,833.3
EQUITY AND LIABILITIES				
Equity				
Equity attributable to the equity holders of the parent company	1,119.9	1,192.3	-6	1,190.8
Non-controlling interest	3.2	1.6	99	3.3
Equity total	1,123.1	1,194.0	-6	1,194.0
Non-current liabilities				
Interest-bearing liabilities	182.6	31.1	487	182.9
Other liabilities	9.6	9.3	3	10.7
Deferred tax liabilities	39.1	47.7	-18	50.0
Pension liability	13.4	7.0	91	13.9
Provisions	8.0	4.2	89	4.6
Non-current liabilities total	252.7	99.3	154	262.0
Current liabilities				
Interest-bearing liabilities	100.5	331.7	-70	86.7
Trade and other payables	203.8	169.8	20	237.4
Income tax liabilities	11.5	5.1	124	20.3
Provisions	7.9	3.5	128	10.5
Current liabilities total	323.8	510.1	-37	354.7
Liabilities directly associated with the non-current assets held for sale				22.5
Equity and liabilities total	1,699.6	1,803.4	-6	1,833.3

CONSOLIDATED STATEMENT OF CASH FLOWS

EUR million	Q2 2016	Q2 2015	Q1-Q2 2016	Q1-Q2 2015	Q1-Q4 2015
Cash flow from operating activities					
Profit before taxes	-22.0	21.7	-18.8	119.3	125.5
Adjustments for					
Depreciation, amortization and impairment	9.3	6.9	18.2	13.6	42.8
Gain/loss on sale and loss on scrap of non-current assets	0.4	-0.5	-4.2	-0.5	-2.7
Investments at fair value through profit or loss - net change in fair value	34.9	-8.3	60.6	-50.6	-56.1
Other financial items	1.8	6.0	-4.0	-33.3	-23.2
Change in fair value of biological assets	0.1	0.1	0.7	-0.3	0.2
Change in provisions and other non-cash items	-6.9	-0.4	-10.7	-2.3	14.5
Cash flow before changes in working capital	17.5	25.4	41.8	45.9	101.2
Changes in working capital					
Change in current assets, non-interest-bearing	20.5	-4.7	1.0	-50.5	-22.1
Change in inventories	4.4	11.0	-0.9	11.5	16.4
Change in current liabilities, non-interest-bearing	-3.3	0.8	-39.1	-26.3	-45.3
Cash flow from operating activities before financial items and taxes	39.1	32.5	2.9	-19.4	50.2
Financial income received and costs paid	4.7	-12.4	19.0	16.8	15.4
Taxes paid	-8.5	-8.5	-20.1	-11.3	-18.0
Cash flow from operating activities (A)	35.3	11.6	1.8	-13.8	47.6
Cash flow from investing activities					
Acquisition of subsidiaries					-289.4
Investments in financial assets	0.3	-4.4	-3.5	-5.7	-41.8
Capital expenditure on fixed assets	-10.1	-6.2	-18.4	-11.9	-32.4
Proceeds from sale of fixed assets	0.8	0.6	1.2	0.6	4.0
Proceeds from sale of non-current assets held for sale			25.8		
Proceeds from sale of investments at fair value through profit or loss	61.7	300.4	61.7	300.4	340.5
Other dividends received			13.1	11.4	11.4
Cash flow from other investments		0.0		0.6	1.8
Cash flow from investing activities (B)	52.6	290.4	80.0	295.4	-5.9
Cash flow from financing activities					
Purchase of treasury shares	-1.4		-1.5		
Change in current receivables	-0.0	-4.5	-0.0	-6.6	2.2
Borrowings of non-current debt	0.5	0.0	0.0	0.1	149.9
Repayment of non-current debt		0.0	-0.4	-7.5	-23.5
Change in current debt	-50.8	126.5	13.5	206.9	-104.6
Payment of finance lease liabilities	-0.1	-0.2	-0.2	-0.5	-0.8
Cash flow from other financing items	-0.0	0.1	0.1	-0.3	-0.5
Dividends paid	-6.5	-5.9	-58.1	-78.3	-78.7
Cash flow from financing activities (C)	-58.2	116.0	-46.7	113.7	-56.0
Change in cash and cash equivalent (A+B+C)	29.7	418.0	35.1	395.3	-14.4
Cash and cash equivalent at beginning of period	24.5	11.7	19.7	33.6	33.6
Translation difference	0.1	-0.4	-0.5	0.4	0.5
Cash and cash equivalent at end of period	54.3	429.3	54.3	429.3	19.7

CONDENSED STATEMENT OF CHANGES IN CONSOLIDATED EQUITY

EUR million	Attributable to the equity holders of the parent company					Non-controlling interest	Total
	Share capital	Treasury shares	Cumul. transl. diff.	Fair value reserve	Actuarial gains and losses	Retained earnings	
Dec 31, 2014	77.5		-4.2	-1.0	-2.2	1,081.7	1.3
Total comprehensive income for the period			5.3	-0.3	-0.2	91.3	0.6
Dividends paid						-55.7	-0.2
Jun 30, 2015	77.5		1.1	-1.3	-2.3	1,117.4	1.6
Total comprehensive income for the period			6.2	0.3	-1.3	-6.2	0.7
Changes due to acquisitions					-0.7		1.3
Dividends paid							-0.4
Dec 31, 2015	77.5		7.3	-1.0	-4.3	1,111.2	3.3
Total comprehensive income for the period			8.3	-0.7	0.4	-20.2	0.8
Changes due to divestments					-0.0	0.1	-0.1
Purchase of treasury shares		-1.5					
Dividends paid						-57.3	-0.7
Jun 30, 2016	77.5	-1.5	15.7	-1.7	-3.9	1,033.7	3.2

NOTES TO THE INTERIM REPORT

ACCOUNTING PRINCIPLES

This unaudited half year financial report is prepared in accordance with IAS 34 (Interim Financial Reporting) using the same accounting policies and methods of computation as in the previous annual financial statements, except for a reclassification of royalty income in the income statement from other operating income to net sales. Figures for the comparison periods have been restated to correspond the changed accounting principles, and as a result, net sales increased and other operating income decreased by EUR 0.1 million for Q2 2015, EUR 0.2 million for Q1–Q2 2015 and EUR 2.1 million for the full year 2015.

All figures in the accounts have been rounded and consequently the sum of individual figures can deviate from the presented sum figure.

The Group has implemented these new or amended IAS/IFRS standards and interpretations mandatory as of January 1, 2016:

- Amendments to IAS 1 Presentation of Financial Statements - Disclosure Initiative
- Annual Improvements to IFRSs 2012–2014 cycle

The adoption of the changed standards above had no material impact on the reported results or financial position.

The preparation of the financial statements in accordance with IFRS requires management to make estimates and assumptions that affect the valuation of the reported assets and liabilities and other information, such as contingent liabilities and the recognition of income and expenses in the income statement. Although the estimates are based on the management's best knowledge of current events and actions, actual results may differ from the estimates.

OPERATING SEGMENTS

EUR million	Q2 2016	Q2 2015	Change %	Q1–Q2 2016	Q1–Q2 2015	Change %	Q1–Q4 2015
Net sales							
Europe & Asia-Pacific	178.2	122.3	46	361.5	249.7	45	663.6
Americas	128.0	119.1	8	256.9	214.1	20	451.2
Other	1.4	15.1	-90	2.8	25.6	-89	40.5
Inter-segment sales*	-14.2	-3.0	375	-31.5	-5.8	441	-48.2
Group total	293.5	253.5	16	589.7	483.6	22	1,107.1
*Inter-segment sales							
Europe & Asia-Pacific	-13.0	-1.0		-28.6	-2.6		-41.5
Americas	-0.8	-1.6		-2.0	-2.3		-4.9
Other	-0.5	-0.5		-0.9	-0.9		-1.8

	Q2	Q2	Change	Q1–Q2	Q1–Q2	Change	Q1–Q4
EUR million	2016	2015	%	2016	2015	%	2015
Operating profit (EBIT)							
Europe & Asia-Pacific	2.1	7.6	-72	4.1	14.9	-72	34.9
Americas	15.7	15.8	-0	35.3	26.5	33	28.1
Other and eliminations	-3.0	-3.9	-23	-0.9	-6.3	-85	-16.5
Group total	14.8	19.4	-24	38.5	35.1	10	46.5
Depreciation, amortization and impairment							
Europe & Asia-Pacific	5.2	3.1	65	10.4	6.2	67	21.7
Americas	1.6	1.7	-3	3.3	3.4	-1	12.7
Other and eliminations	2.5	2.1	20	4.4	4.0	10	8.4
Group total	9.3	6.9	35	18.2	13.6	34	42.8
Capital expenditure							
Europe & Asia-Pacific	5.3	3.4	57	10.5	6.5	63	20.2
Americas	2.1	1.0	108	3.7	1.4	153	4.0
Other and eliminations	2.7	1.8	54	4.1	4.0	4	8.2
Group total	10.1	6.2	64	18.4	11.9	54	32.4
BUSINESS UNITS							
EUR million	Q2	Q2	Change	Q1–Q2	Q1–Q2	Change	Q1–Q4
	2016	2015	%	2016	2015	%	2015
Net sales							
Functional Products	148.8	161.7	-8	298.0	310.2	-4	524.5
Living Products	125.0	56.4	122	253.9	109.2	132	450.1
Outdoor Products	18.6	20.7	-10	35.9	39.4	-9	93.8
Other	1.0	14.7	-93	1.9	24.8	-92	38.8
Group total	293.5	253.5	16	589.7	483.6	22	1,107.1
ADJUSTED OPERATING PROFIT AND EBITA							
EUR million	Q2	Q2	Change	Q1–Q2	Q1–Q2	Change	Q1–Q4
	2016	2015	%	2016	2015	%	2015
Operating profit (EBIT)	14.8	19.4	-24	38.5	35.1	10	46.5
Adjustments to operating profit							
Sale of boats business	0.5			-3.8			
Supply Chain 2017 program	0.3			3.7			6.4
Sale of container gardening business and related goodwill impairment				-2.1			5.0
Integration activities	1.7	1.2	35	3.0	1.3	127	3.0
EMEA 2015 restructuring program		0.2			1.4		2.6
Write-down of machinery and equipment*							1.5
Other adjustments to operating profit							0.2
Total adjustments to operating profit	2.5	1.4	73	0.7	2.7	-73	18.6
Adjusted operating profit	17.3	20.8	-17	39.2	37.8	4	65.1
Amortization	3.6	2.1	69	6.7	4.1	64	10.6
Adjusted EBITA	20.9	23.0	-9	45.9	41.9	10	75.7

*Write-down of machinery and equipment due to planned rationalization of a non-core product range in Europe

INTANGIBLE AND TANGIBLE ASSETS

EUR million	Jun 30 2016	Jun 30 2015	Dec 31 2015
Intangible assets and goodwill			
Book value, Jan 1	540.6	284.6	284.6
Currency translation adjustment	-6.6	0.8	3.1
Acquisitions			262.5
Additions	2.9	3.3	6.8
Amortization and impairment	-6.7	-4.1	-15.7
Decreases and transfers	0.1	0.1	-0.6
Book value at end of period	530.4	284.7	540.6
Investment commitments for intangible assets	1.4	5.2	2.7
Tangible assets and investment property			
Book value, Jan 1	162.4	109.6	109.6
Currency translation adjustment	-3.7	2.5	2.0
Acquisitions			59.4
Additions	15.5	8.5	25.6
Depreciation and impairment	-11.5	-9.5	-27.4
Decreases and transfers	-1.4	-0.3	-6.8
Book value at end of period	161.2	110.9	162.4
Investment commitments for property, plant and equipment	10.5	6.8	9.2

NON-CURRENT ASSETS HELD FOR SALE

EUR million	Jun 30 2016	Jun 30 2015	Dec 31 2015
Tangible and intangible assets	5.4		18.7
Inventories			11.5
Other assets			11.2
Total non-current assets held for sale	5.4		41.4
Interest-bearing liabilities			12.8
Provisions			0.3
Other non-interest bearing liabilities			9.4
Total liabilities directly associated with the non-current assets held for sale			22.5

At the end of June 2016, non-current assets held for sale include land to be sold in the English & Crystal Living business (at the end of December 2015 also the assets and liabilities of the boats business and the assets of the container gardening business in Americas).

CONTINGENCIES AND PLEDGED ASSETS

EUR million	Jun 30 2016	Jun 30 2015	Dec 31 2015
As security for own commitments			
Lease commitments	90.3	58.0	91.3
Guarantees	19.0	14.6	26.2
Other contingencies*	17.8	25.3	21.7
Contingencies and pledged assets total	127.1	97.9	139.2

*Other contingencies include a commitment of USD 18 million to invest in private equity funds.

Tax risks

Fiskars Group entities are subject to tax audits in several countries. It is possible that tax audits may lead to reassessment of taxes.

On July 6, 2016 Fiskars Corporation received a tax reassessment decision from the Finnish Large Taxpayers' Office, which obliges the company to pay EUR 21.7 million additional tax as a result of a tax audit carried out in 2014. The decision concerns intra-group loans forgiven by the company in 2003 and their tax treatment in subsequent tax years. Besides the re-assessed tax, the company is obliged to pay interest expenses of EUR 6.5 million and punitive tax increases of EUR 0.1 million.

The reassessment decision has a negative effect of EUR 28.3 million on Fiskars's cash flow during the third quarter of 2016. Fiskars and its external advisors consider the decision unfounded and do not recognize the related taxes and other costs in the income statement. Fiskars will appeal the decision to the Board of Adjustment in the Finnish Large Taxpayers' Office, and will continue the appeal process in court, if necessary. Possible appeal process in court may take years.

DERIVATIVES

EUR million	Jun 30 2016	Jun 30 2015	Dec 31 2015
Nominal amounts of derivatives			
Foreign exchange forwards and swaps	362.6	555.1	375.9
Interest rate swaps	93.4	58.4	93.4
Electricity forward agreements	1.3	1.7	1.5
Fair value of derivatives			
Foreign exchange forwards and swaps	-0.8	0.5	0.0
Interest rate swaps	-2.4	-1.7	-1.8
Electricity forward agreements	-0.3	-0.3	-0.3

Derivatives have been valued at market value.

EXCHANGE RATE SENSITIVITY OF THE OPERATIONS

Less than 20% of Fiskars' commercial cash flows are exposed to fluctuations in foreign exchange rates. The most significant risks relate to the appreciation of THB and GBP against EUR and depreciation of JPY, AUD and SEK against EUR. The following table presents the estimated annual net commercial cash flows in the most significant currencies:

EUR million	THB	GBP	JPY	AUD	SEK	CAD	NOK
Operational currency position	-29.4	-19.1	22.6	21.0	20.8	13.8	12.6
Exchange rate sensitivity of the operations*	2.9	1.9	-2.3	-2.1	-2.1	-1.4	-1.3

*Illustrates the impact of 10% depreciation of the currency against EUR on the Group's annual profit before taxes had the cash flows not been hedged.

Most of the foreign exchange risks related to the commercial cash flows are hedged primarily through the use of currency forwards and swaps. As Fiskars does not apply hedge accounting to these currency derivatives, both the realized and unrealized gains and losses on the derivatives are included in the income statement.

FAIR VALUE OF FINANCIAL INSTRUMENTS

Jun 30, 2016

EUR million	Level 1	Level 2	Level 3	Total
Investments at fair value through profit and loss	397.7		15.5	413.2
Other investments	0.5		8.5	9.0
Total assets	398.2		24.0	422.2
Derivative liabilities		3.5		3.5
Total liabilities		3.5		3.5

Jun 30, 2015

EUR million	Level 1	Level 2	Level 3	Total
Investments at fair value through profit and loss	522.6		17.1	539.6
Other investments	0.3		4.9	5.3
Derivative assets		0.5		0.5
Total assets	522.9	0.5	22.0	545.4
Derivative liabilities		2.0		2.0
Total liabilities		2.0		2.0

Dec 31, 2015

EUR million	Level 1	Level 2	Level 3	Total
Investments at fair value through profit and loss	520.0		14.9	534.9
Other investments	0.4		6.6	7.0
Total assets	520.4		21.5	541.9
Derivative liabilities		2.1		2.1
Total liabilities		2.1		2.1

Fair value categories

Investments EUR million	At fair value through profit or loss		Other		Total
	Level 1	Level 3	Level 1	Level 3	
Book value, Dec 31, 2014	766.7	11.1	0.3	4.7	782.8
Additions	5.7				5.7
Decreases	-300.4	-0.6			-301.0
Change in fair value	50.6	6.5	0.0	0.2	57.3
Book value, Jun 30, 2015	522.6	17.1	0.3	4.9	544.9
Additions	32.1	4.0			36.1
Acquisitions				1.9	1.9
Decreases	-40.2	-1.2			-41.3
Change in fair value	5.5	-5.0	0.1	-0.3	0.3
Book value, Dec 31, 2015	520.0	14.9	0.4	6.6	541.9
Additions		3.9			3.9
Decreases	-61.7	-0.7			-62.4
Change in fair value	-60.6	-2.6	0.1	2.0	-61.2
Book value, Jun 30, 2016	397.7	15.5	0.5	8.5	422.2

Investments at fair value through profit or loss comprise listed and unlisted shares as well as unlisted funds. Listed shares have been recognized at their fair value based on quotation at the end of the reporting period (fair value hierarchy level 1). Level 1 investments consist of 10,881,781 shares in Wärtsilä with fair value of EUR 397.7 million. A 10% change in the Wärtsilä share price would have an impact of EUR 39.8 million in the results before taxes. The fair value of unlisted funds is based on the market value reported by the fund (level 3). Changes in the fair value are recognized in the income statement.

Other investments comprise mostly of non-current receivables and unlisted shares and they are measured at the lower of cost and fair value.

ACQUISITIONS AND DIVESTMENTS

The following acquisition and divestments have an impact on the comparability of figures.

Sale of the boats business in 2016

Fiskars sold its boats business to Yamaha Motor Europe N.V on January 4, 2016. The transaction included the sale of shares in Inha Works Ltd. as well as the sale of the Buster brand and related factory real estate in Ähtäri, Finland. In 2015, boats business net sales amounted to EUR 35 million.

Sale of the container gardening business in the U.S. in 2016

Fiskars Brands, Inc. sold its container gardening business in the U.S. to Bloem, LLC on January 22, 2016. The transaction included the sale of the container gardening brand American Designer Pottery and related manufacturing and distribution facilities in Apopka, Florida, U.S. In 2015, container gardening net sales amounted to EUR 23 million.

Acquisition of WWRD (English & Crystal Living business) in 2015

On 1 July 2015, Fiskars purchased the shares in KPS LuxCo S.à.r.l., the holding company of the WWRD group, including its brands and business operations from the U.S. based private equity firm KPS Capital Partners.

The purchase price payable was USD 437 million, equaling EUR 391 million, subject to a post completion adjustment based upon the level of net working capital and cash and debt in the acquired business on the closing date. The consideration transferred amounted to USD 345 million (EUR 308 million). Additionally, Fiskars repaid WWRD's interest-bearing debt of USD 114 million (EUR 102 million).

The goodwill of EUR 128 million arising from the acquisition is not deductible for income tax purposes. Intangible assets also include trademarks and customer relationships.

The purchase price allocation has been completed with no changes in 2016. The following table summarizes the consideration paid for WWRD, the fair value of assets acquired and liabilities assumed and the non-controlling interest at the acquisition date.

EUR million

Non-current assets	
Intangible assets	134.0
Property, plant & equipment	59.4
Deferred tax assets	6.8
Other non-current assets	1.5
Non-current assets total	201.7
Current assets	
Inventories	93.4
Trade and other receivables	56.8
Cash and cash equivalents	15.0
Current assets total	165.2
Non-current assets held for sale*	12.9
Assets total	379.8
Non-current liabilities	
Interest bearing liabilities	105.0
Other non-current liabilities	9.3
Non-current liabilities total	114.3
Current liabilities	
Interest bearing debt	0.6
Trade and other current liabilities	81.0
Current liabilities total	81.6
Liabilities directly associated with the non-current assets held for sale*	2.9
Non-controlling interest**	1.3
Net assets	179.6
Consideration transferred	308.1
Goodwill	128.5

*Relates to land to be sold in Europe & Asia-Pacific

**Non-controlling interest is recognized and measured based on the present ownership instruments' proportionate share in the recognized amounts of the acquiree's identifiable net assets.